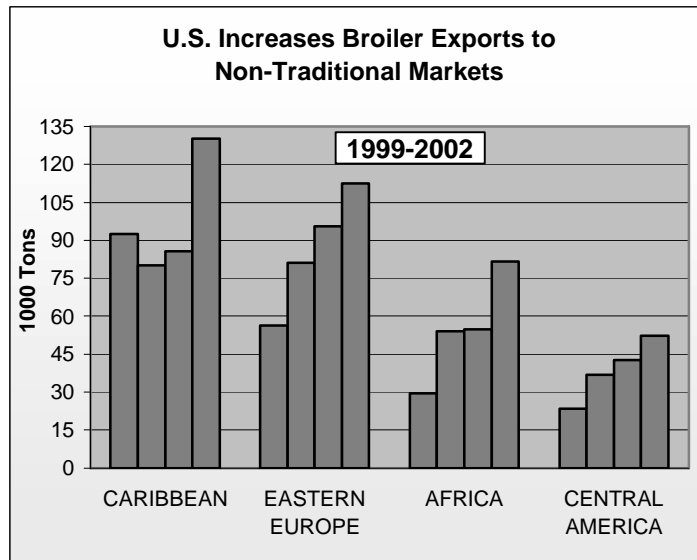


U.S. Broiler Exports Find Prospects in Non-Traditional Markets



U.S. broiler exports to non-traditional markets have been increasing in recent years. For the period 1999-2002, U.S. broiler exports to the world averaged 2.25 million tons. Of this amount, on average, 12.3 percent was shipped to countries in the Caribbean, Eastern Europe, Africa and Central America. In 2002 alone, these regions accounted for 17 percent in volume and 27 percent in value of U.S. broiler exports, considerably up from 2001. For these regions, overall economic growth and gains in the food industry sector have allowed U.S. broiler meat exports to grow an average of 35 percent in

volume in 2002 from 2001, a noteworthy increase from the previous year's growth of 11 percent.

Caribbean: A flourishing market for the United States in recent years has been the Caribbean driven by growth in Cuba. In 2002, U.S. broiler meat exports were 52,000 tons, mostly leg quarters, valued at nearly \$23 million, which was 17 times higher than in 2001. Demand for leg quarters in Cuba is fueled by a thriving hotel and restaurant industry. Other Caribbean countries such as Haiti and Jamaica also contributed to increased exports sales with a combined volume of 40,140 tons valued at \$23 million in 2002. As tourism to Cuba expands, importers are expected to diversify and buy more value added broiler products.

Eastern Europe: U.S. broiler exports have also seen substantial growth in Eastern European markets, primarily in Romania. U.S. broiler exports to Romania totaled over 30,000 tons, mainly leg quarters in 2002, doubling the 2001 level. However, it is unclear how U.S. poultry shipments will be affected once Romania adopts EU standards for poultry imports. Romania is tentatively scheduled to join the European Union in 2007. The EU banned the importation of U.S. poultry meat over concerns of the use of anti-microbial treatments in poultry processing in 1997. In addition, U.S. trade statistics show nearly 27,000 tons, valued at \$12 million were shipped to Greece in 2002. This trade is presumably transshipped to the Balkans.

Africa: In 2002, U.S. broiler exports to Africa rose by 49 percent in volume compared to 2001 with Angola showing the strongest gain. U.S. broiler exports to Angola have been steadily increasing since 1999, from 7,222 tons to 47,493 tons in 2002 valued at \$23.3 million despite the recent civil war. Luanda is the central hub for incoming broiler shipments even though much of the infrastructure has been destroyed and land mines continue to pose threats to all ground vehicles. The United States primarily exports leg quarters to Angola. While Angola represents a significant growth market, continued growth will be constrained by its poor domestic infrastructure. U.S. exports to other African countries including Ghana, Gabon, the Gambia and Sierra Leone attributed an additional 21,309 tons valued at \$10 million.

Central America: Growth in U.S. broiler exports to Central America has historically revolved around exports to Guatemala. In 2002, U.S. broiler exports to Guatemala totaled 45,154 tons valued at \$28 million, a 25-percent increase from the 2001 level. Eighty-four percent of U.S. broiler exports to Guatemala in 2002 were chicken leg quarters valued at \$21.4 million. The expanding retail industry and growing demand for new and differentiated products by consumers create an exceptional opportunity for U.S. broiler exporters. Restrictive tariffs and other market access issues have historically kept U.S. broiler meat out of the rest of Central America. However, the United States remains the primary supplier of broiler meat to Guatemala, holding a 99 percent market share in 2002. The Central America Free Trade Agreement, CAFTA, should reduce tariffs and will likely promote growth of U.S. broiler meat exports to the rest of the region.